Petition and Transcript of Record

Supreme Court of the United States

OCTOBER TERM, [redacted] 1927

No. [redacted] 99

RICHMOND SCREW ANCHOR CO., INC.,
PETITIONER,

vs.

THE UNITED STATES

ON WRIT OF CERTIORARI TO THE COURT OF CLAIMS

PETITION FOR CERTIORARI FILED JULY 21, 1927

CERTIORARI GRANTED NOVEMBER 21, 1927

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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1926

No. 540

RICHMOND SCREW ANCHOR CO., INC.,
PETITIONER,

vs.

THE UNITED STATES

ON PETITION FOR A WRIT OF CERTIORARI TO THE COURT OF CLAIMS

INDEX

	Original	Print
Petition for writ of certiorari	a	1
Record from Court of Claims	1	6
Petition	1	6
General traverse	8	10
Argument and submission	8	10
Findings of fact	9	10
Conclusion of law	11	13
Opinion, Booth, J	11	13
Appendices 1 and 2—Diagrams	16	19
History of proceedings	18	20
Argument and submission	18	20
Order setting aside former judgment	19	20
Additional findings of fact	20	20
Conclusion of law	21	22
Opinion, Booth, J	21	22
Judgment	24	25
Proceedings after entry of judgment	24	25
Clerk's certificate (omitted in printing)	25	
Order allowing certiorari		26

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[fol. a]

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1926

RICHMOND SCREW ANCHOR CO., INC., Plaintiff-Petitioner,

vs.

THE UNITED STATES, Defendant-Respondent

PETITION FOR WRIT OF CERTIORARI TO THE COURT OF CLAIMS

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Richmond Screw Anchor Co., Inc., plaintiff below, prays that a writ of certiorari be issued to the Court of Claims to review the decisions of said court rendered in part on June 4, 1923, in part on December 7, 1925, and in part on May 3, 1926, in the above entitled case, which appear in the transcript of record filed herewith.

1. This is a suit brought under the Act of June 25, 1910, Chapter 423, as amended July 1, 1918, Chapter 114, to recover for infringement of Letters Patent No. 1,228,120 for a cargo beam, granted May 29, 1917, to Melchior Lenke, and assigned to the plaintiff by mesne assignments on March 7, 1921, by the manufacture of cargo beams for, and the use thereof by, or for the United States.

The Court of Claims by its decision of June 4, 1923, found as facts the issue of the letters patent on May 29, 1917, to Melchior Lenke, and ownership of same by Lenke until on or about September 29, 1920, ownership by Thomas E. Chappell until on or about March 7, 1921, and ownership by plaintiff thereafter, each assignment including all rights of action for past infringements (and we may add, each assignment carried an explicit authorization to the [fol. b] assignee "to sue in its own name for such past infringements"); that the Lenke cargo beam since its introduction has come largely into use and has largely supplanted all other kinds or types of cargo beams; and that "during and since 1918" cargo beams of the kind and

character illustrated and claimed in the Lenke patent "have been in use by the United States" without "authorization by or compensation to the plaintiff or other owner of said letters patent for such use"; and certain facts as to notice; and upon the findings of fact the Court of Claims decided, as a conclusion of law, "that the plaintiff is entitled to recover."

The Court of Claims, by its decision of December 7, 1925, found as additional facts that, through contractors who manufactured for the United States, "the United States installed on or before January 1, 1919, 810 cargo beams covered by the Lenke patent"; that it did not thereafter install or use any other such cargo beams; that "the use of the Lenke cargo beam by the United States instead of the cargo beams theretofore installed and used resulted in a saving * * * in the expense of installation * * * amounting in the aggregate to $103,480" and that "The single advantage which the United States gained by the use of the beams was the saving in cost of the same and the convenience resulting from their novelty"; that "they were used by the United States for Government purposes"; that "the fair license value on a royalty basis is" $16,200; and upon the additional findings of fact, the Court of Claims decided, as a conclusion of law, that the former conclusion of law and judgment be "set aside and a new judgment this day entered dismissing the plaintiff's petition."

Plaintiff made a motion for additional findings of fact which was denied May 3, 1926.

The ground for the setting aside of the first judgment and the entering of the new judgment dismissing the plain- [fol. c] tiff's petition, stated in the accompanying opinion of the Court of Claims (either explicitly or by necessary implication), was that the use by the United States of the said cargo beams after January 1, 1919, was not an infringement of the patent and that consequently plaintiff possessed merely an assignment (dated March 7, 1921) of a claim for a then wholly past infringement (i. e., of January 1, 1919) and that such an assignment was void and of no effect under U. S. R. S. Sec. 3477.

The ground, urged upon the Court of Claims by counsel for the United States (and assumed and adopted in its

second decision) for the conclusion of law that the infringement ended on January 1, 1919, when the installation was completed and the use began, and that there was no infringement of plaintiff's rights under the patent after its ownership thereof began on March 7, 1921, was that, under the Act of June 25, 1910, Chapter 423, amended July 1, 1918, Chapter 114, as interpreted by this Court in Crozier v. Krupp, 224 U. S. 290, and Cramp v. Curtis, 246 U. S. 28, the use by the United States after March 7, 1921, was by virtue of a license under the patent obtained by the United States by appropriation through the exercise of the sovereign right of eminent domain on or before January 1, 1919, and that the only right of action under that statute against the United States both for the installation then made and for the use of same to the full end of the term of the patent arose at that time, and that, since plaintiff had no interest in the ownership of the patent at that time, no property right of the plaintiff was appropriated.

2. The grounds for this petition are

(a) that the statute of 1910 as amended in 1918 and the decisions of this Court with respect thereto have been misconstrued by the Court of Claims, and that under the proper construction of that statute and of those decisions the use [fol. d] by the United States of the aforesaid cargo beams after March 7, 1921, was an infringement of the patent in suit, for which the plaintiff as owner of the patent after that date is entitled to recover;

(b) that the true intent and meaning of the cited statute of 1910 as amended in 1918 (which this Court says in Sperry Gyroscope Co. v. Arma Engineering Co., U. S. Adv. Ops. June 15, 1926, P. 596, "is not free from doubt") is so uncertain and unsettled in the courts, at the bar, among the owners of patents and the public generally, and even apparently among the counsel and advisers and officials of the United States, that this petition should be granted in the general public interest to give this Court an opportunity to elucidate the statute;

(c) that, with respect to the infringement of the plaintiff's rights by the United States by its use of the patented beams after March 7, 1921, the prior installation and prior

use by the United States were incidental thereto and preparatory therefor and a part thereof, and so plaintiff's rights in the premises are in no way and to no extent affected by U. S. R. S. Sec. 3477;

(d) that, under the circumstances of the present case, plaintiff's right to sue the United States in the Court of Claims for infringement of the Lenke patent prior to March 7, 1921, is not defeated or annulled or impaired by U. S. R. S. Sec. 3477,

(1) because the subject matter of the assignments in question is the infringement of Letters Patent for invention, and

(2) because the assignments also carried the ownership of the patent, and

(3) because the assignments explicitly authorized and empowered the plaintiff to sue in its own name for such [fol. e] past infringements, and

(4) because the aforesaid Act of 1910 as amended in 1918 substituted the United States for the manufacturing contractors in responsibility for compensation to the then owner of the patent for such infringing manufacture, and this substitution carried (by assumed consent of the United States under the reasoning of Standard Oil Co. v. U. S., 267 U. S. 76) the same right of assignment of the claim for such compensation as would have existed if the substitution had not been made, and to that extent and in that situation repealed and superseded U. S. R. S. Sec. 3477, and

(5) because the plaintiff, having such an interest in the patent, as without the statute of 1910 as amended in 1918, would have supported a suit by it against the contractor for manufacturing the infringing cargo beams for the United States, (to follow the reasoning of E. W. Bliss Co. v. United States, 253 U. S. 187) must necessarily have the right to maintain its suit in the Court of Claims against the United States for such manufacture by the contractor for it under that statute, unaffected by U. S. R. S. Sec. 3477, and

(6) because, insofar as the infringement consisted in the manufacture of the said cargo beams for the United

States by the contractor, plaintiff's claim was a claim against the contractor, and the fact that the United States under the Act of 1910 as amended in 1918 assumed responsibility therefor to the owner of the patent did not alter the essential nature of the claim or make it such a claim against the United States as is referred to in U. S. R. S. Sec. 3477;

(c) that the Court of Claims should have awarded plaintiff the reasonable and entire compensation contemplated by the cited statute and this includes interest on the principal sum awarded from January 1, 1919, or from March 7, 1921, as this Court may decide.

[fol. f] 3. The various questions of law raised by this petition have not, so far as your petitioner knows, been decided by this Court, and they are of wide and general interest and of great public importance and they have been decided by the Court of Claims in a manner which is probably in conflict with the applicable decisions of this Court, and the Court of Claims has also, your petitioner believes, departed from the accepted and usual course of judicial proceedings in a manner to call for the exercise of this Court's power of supervision, and this Court of Claims, your petitioner believes, has not given proper effect to applicable decisions of this Court, and unless this petition be granted your petitioner will be without the right to have the decision of the Court of Claims reviewed by any Court.

Wherefore your petitioner prays that a writ of certiorari be issued to the United States Court of Claims requiring it to send to this Court a certified transcript of the record in that Court consisting of the pleadings, findings of fact, judgments and opinions of the Court, but not the evidence, that this Honorable Court may finally decide the same.

Richmond Screw Anchor Co., Inc., by Wm. Houston Kenyon, Archibald Cox, O. Ellery Edwards, Joseph W. Cox, Douglas H. Kenyon, Counsel for Petitioner.

As members of the bar of this Court, we hereby certify that we have examined the foregoing petition and in our [fol. g] judgment it is well founded and the cause is one in

which the prayer of the petition may properly be granted by this Court.

Wm. Houston Kenyon, Archibald Cox, O. Ellery Edwards, Joseph W. Cox, Douglas H. Kenyon, of Counsel.

Dated New York, July 22d, 1926.

[fol. h] [Endorsed:] Supereme Court of the United States. Richmond Screw Anchor Co., Inc., plaintiff-petitioner, vs. The United States, defendant-respondent. October term, 1926. Petition for a writ of certiorari to the Court of Claims. O. Ellery Edwards, 233 Broadway, New York, N. Y.

[fol. 1] UNITED STATES COURT OF CLAIMS

No. 117-A

RICHMOND SCREW ANCHOR CO., INC., Petitioner,

vs.

THE UNITED STATES, Defendant

On Patent No. 1,228,120

1. PETITION—Filed May 23, 1921

To the Honorable the Judges of the United States Court of Claims:

The petition of the Richmond Screw Anchor Co., Inc., respectfully represents:

I. That your petitioner is a citizen of the United States, and is a corporation duly organized and existing by virtue of the laws of the State of New York, and has its principal [fol. 2] place of business in the World Building, New York City, and brings this action in its own right.

II. That this petition is filed against the United States under and pursuant to the provisions of the Act of Congress, approved June 25, 1910 and amended July 1, 1918 and entitled "An Act to Provide Additional Protection for

the Owners of Patents of the United States and for Other Purposes".

III. That heretofore and before the 25th day of August, 1916, one Melchior Lenke then of Brooklyn, New York, was the true, original and first inventor of certain new and useful improvements in Cargo Beams, not known or used by others in this country before his invention or discovery thereof, not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, or more than two years prior to his application for a patent in this country therefor, not patented in any country foreign to the United States on an application filed by him or his legal representatives or assigns more than twelve months prior to said application for patent in this country, and not in public use or on sale in this country for more than two years prior to his said application for patent in this country; and so being the true, original and first inventor thereof, the said Melchior Lenke made due application, according to law, for Letters Patent of the United States therefor; and, on the 27th day of May, 1917, upon his said application and in conformity to law, Letters Patent, in the name of the United States of [fol. 3] America, dated May 29, 1917, No. 1,228,120, duly executed and recorded, sealed with the seal of the Patent Office and signed by the Commissioner of Patents, according to law, were duly granted to said Melchior Lenke, whereby there was granted and secured or intended to be granted and secured to said Melchior Lenke, his heirs and assigns, for the term of seventeen years from and after said May 29, 1917, the exclusive right to make, use and vend throughout the United States and the Territories thereof, the invention aforesaid, a description whereof, in the words of said Melchior Lenke, was given in the schedule annexed to said Letters Patent and made a part thereof, as by reference to said Letters Patent, or to a duly authenticated copy thereof, here in Court to be produced, will more fully and at large appear.

IV. That your petitioner has derived title to said Letters Patent No. 1,228,120 and now owns the same together with all rights of action to sue for past infringements, profits

and damages by virtue of certain direct and mesne assignments, duly executed and recorded, so that your petitioner is now vested with the entire and exclusive right, title and interest in and to said invention and Letters Patent, and in and to all rights of action for past or future infringements of said Letters Patent.

V. That your petitioner is advised and believes, and therefore avers, that said Letters Patent No. 1,228,120 are valid and effective in law to secure to your petitioner the [fol. 4] exclusive rights and privileges thereby granted; that so far as your petitioner is informed and believes, the public generally have acquiesced in your petitioner's rights under said Letters Patent; that your petitioner is entitled to the exclusive use and enjoyment of said invention and of said Letters Patent; and that, but for the infringement hereinafter complained of, your petitioner would have been and would now be, in the undisturbed possession, use and enjoyment of the said invention and of the said exclusive rights and privileges and in receipt of the profits of the same.

VI. That the invention covered and claimed in said Letters Patent No. 1,228,120 was not invented or discovered by Melchior Lenke while an employee of the Government of the United States, nor during the time of his employment or service by or for the Government of the United States, nor is Melchior Lenke now in the employment or service of the Government of the United States.

VII. That your petitioner is informed and believes, and therefore avers, that the United States, through the officers and employees of its War and Navy Departments, and otherwise, has, since the grant of said Letters Patent No. 1,228,120, and before the filing of this petition, without the license of said Melchior Lenke or your petitioner, or any other owner of the patent, or without lawful right, made and constructed or caused to be made and constructed and used, or caused to be used, cargo beams containing and [fol. 5] embodying the invention covered and claimed by said Letters Patent No. 1,228,120, and particularly by claims 1, 2, 3 and 4 thereof, in violation and infringement of said Letters Patent and of the rights of your petitioner there-

under; that such unlawful and unauthorized use of your petitioner's said invention has resulted in great injury, damage and loss to your petitioner, to wit, as your petitioner is informed and believes, and therefore avers, the aggregate sum of at least One hundred and thirty-two thousand dollars ($132,000) damages and profits, which sum is still due your petitioner, no part thereof having been paid, and which sum or such reasonable compensation for the use by the United States of your petitioner's said invention as this Honorable Court may find to be due your petitioner, your petitioner avers it is fully entitled to recover from the United States after allowing all credits and offsets.

VIII. That your petitioner's said claim for compensation for the use of its said invention is not based on the use by the United States or any article, apparatus or method, owned, leased, used or in the possession of the United States prior to June 25, 1910.

IX. That your petitioner has not sold or transferred its said claim or any part of the same to any person or persons; that no action has been taken on this claim in Congress or in any of the departments, except that a claim was filed by the said Melchior Lenke in the War Department which was No. [fol. 6] 132 and denied May 16, 1921, on the ground that the War Claims Board had no jurisdiction and that your petitioner and the said Melchior Lenke and all others who have had any interest in said patent No. 1,228,120 have not, in any way, voluntarily aided, abetted or given encouragement in rebellion against the Government of the United States.

X. That the facts stated in this petition are true to the best of your petitioner's information and belief.

Wherefore your petitioner prays judgment in his favor against the United States, for the sum of One hundred and thirty-two thousand dollars ($132,000), more or less, as decreed by this Honorable Court and for such other and further relief as to this Court may seem just.

Richmond Screw Anchor Company, Inc., by Thomas E. Chappell, President. O. Ellery Edwards, Woolworth Building, New York City, Attorney and of Counsel for Petitioner.

[fol. 7] *Duly sworn to by Thomas E. Chappell. Jurat omitted in printing.*

[fol. 8] II. General Traverse—Filed July 3, 1921

No demurrer, plea, answer, counterclaim, set-off, claim of damages, demand, or defense in the premises, having been enacted on the part of the defendant, a general traverse is entered as provided by Rule 34.

III. Argument and Submission

On April 16, 1923, this case was argued and submitted on merits by Mr. O. Ellery Edwards, for the plaintiff, and by Mr. John S. Bradley, for the defendant.

[fol. 9] IV. **Findings of Fact, Conclusion of Law, and Opinion of the Court by Booth, J.**—Entered June 4, 1923

This case having been heard by the Court of Claims, the court upon the evidence, makes the following

Findings of Fact

I

The plaintiff company is a corporation, organized and existing under the laws of the State of New York, with its principal office and place of business in the city of New York, in said State.

II

On or about August 25, 1916, one Melchior Lenke, a citizen of the United States and of the State of New York, filed in the United States Patent Office an application for letters patent for certain improvements devised by him in cargo beams, upon which application United States letters patent No. 1,228,120 were issued to him, of date May

29, 1917. A copy of said letters patent is by reference made a part of these findings of fact as Exhibit A.

III

The action in the Patent Office on said application appears from the Patent Office file wrapper and contents in the case, a copy of which is by reference made a part of these findings as Exhibit B.

IV

At the time of the filing of the said application by Lenke for said patent, there were in the art relating to cargo beams and analogous or related structures the inventions or devices shown by the following United States letters patent:

No. 109,988, of December 6, 1870, to Wonlarlarsky.
No. 116,230, of June 20, 1871, to Smith.
[fol. 10] No. 178,734, of June 13, 1876, to Church.
No. 252,566, of January 17, 1882, to Winser.
No. 305,666, of September 23, 1884, to Chamberlain.
No. 347,755, of August 17, 1886, to Youman.
No. 410,507, of September 3, 1889, to Fain.
No. 562,381, of June 23, 1896, to Edwards.
No. 628,069, of July 4, 1899, to Brown.
No. 663,348, of December 4, 1900, to Kennedy.
No. 933,416, of September 7, 1909, to Callander.
No. 1,034,305, of July 30, 1912, to Russell.
No. 1,125,009, of January 12, 1915, to Curtis.

Copies of said letters patent are by reference made a part of these findings of fact as Exhibits C-1, C-2, C-3, C-4, C-5, C-6, C-7, C-8, C-9, C-10, C-11, C-12, and C-13, respectively.

V

Prior to the granting and issuing of the said Lenke letters patent No. 1,228,120 the type of cargo beam generally in use was a rigid beam, rigidly supported by and between two rigid uprights at or near the entrance to the sheds or buildings on the piers, for receiving and storing cargo from or for cargo carrying vessels.

Since the patenting and introduction of the cargo beam of the said Lenke letters patent said cargo beam has come largely into use, and in new construction and installation of cargo beams it has largely supplanted all other kinds or types of cargo beams.

VI

On or about September 29, 1920, the said Lenke letters patent were assigned by Lenke to one Thomas E. Chappell, who, in turn, on or about March 7, 1921, assigned them to the plaintiff company.

Each of said assignments of said letters patent contained a provision that the assignee should have "all rights of action for past infringements of said patent, and all rights to recoveries for damages, profits, and royalties for said infringements of every kind whatsoever."

VII

On December 31, 1918, attorneys representing the said Melchior Lenke wrote Maj. George Perrine, of the Quartermaster Corps, on duty at the Army supply base at Brooklyn, N. Y., stating that the cargo beam of the said Lenke patent was being used by the Government at said supply base without permission from the patentee, and that said Lenke claimed a royalty of $20 per beam for each of such beams used by the Government. In a reply to this letter dated January 31, 1919, Brig. Gen. R. C. Marshall, jr., chief of the Construction Division of the Army, stated that the validity of the patent and the legal rights of said Lenke could be determined only by the courts, and that his reply must not be construed as a recognition of any rights in Lenke in the matter, but that he understood Lenke was allowing the use of his device elsewhere for a royalty of $5 per beam, and that if the matter could be promptly settled and the Govern- [fol. 11] ment given the right to use the device on its projects elsewhere at that rate of royalty, the matter would "receive prompt attention."

VIII

During and since the year 1918 cargo beams of the kind and character illustrated and described in the drawings and

specifications of the said Lenke letters patent, and claimed in the claims of said letters patent, have been in use by the United States at its Army base at Brooklyn, N. Y., without, so far as appears from the record, any authorization by or compensation to the plaintiff or other owner of said letters patent for such use.

Conclusion of Law

Upon the foregoing findings of fact the court decides, as a conclusion of law, that the plaintiff is entitled to recover.

The case is remanded to the general docket with leave to either party to take testimony in conformity with the opinion herein.

Opinion

Booth, Judge, delivered the opinion of the court:

The plaintiff company is the assignee of letters patent No. 1,228,120, issued to Melchior Lenke on May 29, 1917, for a cargo beam. Lenke on September 20, 1920, assigned his patent to Thomas E. Chappell, of New York, and Chappell on October 1, 1920, duly assigned the same to the plaintiff company.

A cargo beam is no more nor less than a beam employed in combination with other elements to withstand the weight of cargo to be removed from the hold of vessels alongside a pier or wharf and deposited on the pier or in the warehouses fronting on the same. Beams are, of course, old and cargo beams, as such, have been in use for years. The method existing prior to the advent of the beam in suit was the employment of two channel beams spaced several inches apart, firmly riveted together at the top and bottom by means of angle irons or plates, and rigidly affixed at either end to two uprights extending upward through the roof of the warehouse in brackets designed for the purpose. At stated intervals along the lower web of the beam holes were bored, by means of which a saddle or U Bolt was fastened by the use of bolts and nuts, and to this saddle hoisting tackle a "Burton fall" was fixed. The cargo beam constituting the vital element of the device, as attempted to be described in the above comments, was permanently estab-

lished in the combination device; its upright position was firmly fixed, and its position stationary, never yielding in this respect, no matter from what angle the stress weight or force of the operation of removing cargo from the vessel was applied.

The record shows that a beam adaptable for the purpose weighed 3,300 pounds and must possess the full strength of withstanding the pull of cargo weights from both a vertical and a diagonal angle. The process of discharging cargo from a vessel by means of the rigid cargo beam is [fol. 12] precisely depicted in the annexed drawing designated Appendix 1.

Lenke conceived the idea of taking the mechanism in existence and substituting for the fixed beam a single I beam of about 1,300 pounds in weight. At each end of the I beam he attached laterally a strong bar by means of rivets and angle irons, providing a hole near its upper end, through which holes he introduced pivots, thereby enabling the cargo beam to swing into any angle from which the load was applied. In other words, with his beam, into the center or neutral zone of which he fastened his U bolts to receive the hoisting tackle, it was possible for the first time to utilize a cargo beam in such a way that it presented to the load it must carry its maximum strength, no matter whether the stress came from a vertical or diagonal angle. As a matter of fact, the real worth of the invention lies in the employment of a light cargo beam, undiminished in resisting power because of its ability to swing into a diagonal position when force is applied from that angle. So long as the load to be lifted is hoisted vertically and the stress of the pull applied directly, a comparatively light beam is sufficient. The necessity for reinforcement and much heavier beams lies in the fact that in discharging cargo from a vessel both vertical and diagonal pulls are always involved, and the rigid beam firmly fixed in position, previously adapted to a vertical strain, a direct weight, must be of far greater strength to withstand the process of discharging cargo. This is indicated in Appendix 2. Figure VII represents the rigid cargo beam and Figure VIII the patent in suit. In Figure VIII the beam swings in response to the application of the load wherever it may be situated

and presents its full inherent strength by adapting its position to the angle of the hoist without more than normal strain under any circumstances. The additional feature for which the patentee claims novelty is the attachment of the saddles to the I beam by means of holes projected through the center of the beam at the point of its neutral axis. Much stress is laid upon this feature. It is not denied, in fact is demonstrated, that perforation of the beam along the line of its neutral axis does not weaken the structure, whereas perforation at other places has a tendency to and does impair to some extent the carrying power of the same.

The plaintiff's patent is obviously a combination patent, and in view of the prior art limited to the exact terms of the claims. It is, to say the most for it, quite narrow and, as the history of its course through the Patent Office clearly demonstrates, is limited to an improvement of an existing device in the manner and in connection with conjunctive elements set forth in the specifications and claims. To this extent, and within this narrow compass, we believe the plaintiff is an inventor. While cargo beams are old, and their use extended, nevertheless the plaintiff did contribute in a novel way a means adaptable to function successfully and accomplish the end with less expense and prolong without doubt the life and efficiency of the device created over the old one. The plaintiff's swinging beam, the vital factor of a cargo beam mechanism, is admittedly an improvement over the old rigid beam and will without doubt retain its efficiency much longer and at a reduced expense to the owner.

[fol. 13] The defendant insists that "Lenke's invention is unpatentable because it embodies nothing more than a natural and normal modification of existing ideas." One may see now, after the fact, how decidely advantageous and how easily the most ordinary person could have modified existing ideas. This is patent to the most casual observer, for Lenke's cargo beam has almost universally superseded the old one. The defendant used it and almost every pier in the country has installed it. If Lenke takes things old in the art and by the introduction of a substitute, an element known to function in a certain way under cer-

tain conditions, compels the old device with the substitute element to perform a like service under much more favorable conditions at a much less expense and for a much longer space of time, is he to be denied his claim to invention because anyone could easily have foreseen the result? No one did foresee it and the art itself is not exceedingly old. To those who use a cargo beam, or for the benefit of those who may desire to use one, Lenke's beam offers a solution of the problem at a minimum of cost with a maximum of efficiency. That it is an improvement over the existing device is more than apparent by its extensive use.

What did Lenke invent? The defendant concedes that Lenke's patent is novel "in the sense that there is nothing in the prior art exactly like it, * * * and it is useful in the sense that it will support hoisting tackle." What Lenke was seeking to do was to support hoisting tackle. He observed the old cargo beam made up of two beams, spliced together, permanently attached to the upright posts, splendidly adapted to vertical stress. As thus reinforced, the double beam would serve as a means toward the end. Lenke saw the possibility of discarding the heavy, expensive beam in the old device, and substituting for it a beam of lighter weight, so fixed in place as to swing into the angle of resistance, perform the identical function, and maintain during the operation the full, maximum tensile strength of the beam itself. It is true he improved an existing idea, but in so doing he brought into being a new, improved idea, never before suggesting itself to those skilled in the art, a swinging cargo beam. To this he addresses his claims, and to this extent we believe his idea possesses novelty. Because his patent is narrow and his contribution to the art limited is not sufficient to invalidate his claims. The Patent Office so construed his claims, and he was content with such a construction. Lenke devised a combination of elements not theretofore in the art, made no more pretentious claims, and is expressly limited thereto.

Defendant makes some point of the failure of the patentee to observe section 4900, Revised Statutes. This, we think, in so far as the present record discloses, is determined by the stipulation of the parties, wherein written notice appears. It is primarily a question going to quantum of damages, rather than a substantial defense at this

stage of proceedings. The case is to be remanded for ascertainment of damages, and the question presented may well be reserved until that time.

The plaintiff protests against the receipt as evidence, tending to establish anticipation, of the exhibits disclosing the prior art. The competency of this line of proof is chal- [fol. 14] lenged upon the theory that the act of June 25, 1910, 36 Stat. 851,[1] amends section 4919, Revised Statutes, and therefore section 4920[2] assimilates the practice in patent cases in this court with the patent procedure in United States district courts, as prescribed by the terms of section 4920, R. S. The act of June 25, 1910, is not an amendment of section 4919, R. S. It is a jurisdictional statute granting the right to sue the United States in this court in infringement cases. The proviso to the act reserves to the

[1] Act of June 25, 1910 (36 Stat. 851): "That whenever an invention described in and covered by a patent of the United States shall hereafter be used by the United States without license of the owner thereof or lawful right to use the same, such owner may recover reasonable compensation for such use by suit in the Court of Claims: Provided, however, That said Court of Claims shall not entertain a suit or reward compensation under the provisions of this act where the claim for compensation is based on the use by the United States of any article heretofore owned, leased, used by, or in the possession of the United States: Provided further, That in any such suit the United States may avail itself of any and all defenses, general or special, which might be pleaded by a defendant in an action for infringement, as set forth in Title Sixty of the Revised Statutes, or otherwise: And provided further, That the benefits of this act shall not inure to any patentee who when he makes such claim is in the employment or service of the Government of the United States, or the assignee of any such patentee; nor shall this act apply to any device discovered or invented by such employee during the time of his employment or service."

[2] Sec. 4920 Revised Statutes: "In any action for infringement the defendant may plead the general issue, and having given notice in writing to the plaintiff or his attorney thirty days before, may prove on trial any one or more of the following special matters:

* * * * * * *

"Third. That it had been patented or described in some printed publication prior to his supposed invention or discovery thereof, or,

"Fourth. That he was not the original or first inventor or discoverer of any material and substantial part of the thing patented; or,

"Fifth. That it had been in public use or on sale in this country for more than two years before his application for a patent, or had been abandoned to the public.

"And in actions as to proof of previous invention, knowledge, or use of the thing patented the defendant shall state the names of patentees and the dates of their patents, and when granted, and the names and residences of the persons alleged to have invented or to have had the prior knowledge of the things patented, and where and by whom it had been used; and if any one or more of the special matters alleged shall be found for the defendant judgment shall be rendered for him with costs. And the like defenses may be pleaded in any suit in equity for relief against an alleged infringement, and proofs of the same may be given upon like notice in the answer of the defendant and with the like effect."

United States all the usual defenses to a suit for infringement as set forth in Title Sixty of the Revised Statutes, "or otherwise." Manifestly, it was the intent of Congress to place a suit for infringement by the United States of a patent upon the same basis, in all respects as to meritorious defenses, as a suit of a similar nature in the district courts. Prior to the passage of this act the patentee was without a remedy against the Government. Section 4920, R. S., provides expressly for a definite line of procedure in cases where the defendant relies upon the prior art to invalidate a patent. The thirty days' notice required, as very aptly observed, is designed to afford the plaintiff ample time before trial to acquaint himself with the exhibits disclosing the prior art and equip himself for an intelligent cross examination of witnesses called to interpret the prior patents. This is, indeed, a vital necessity in cases in the district courts, supported and discredited generally by oral testimony given before the court, as well as in cases where depositions are taken and subsequently exhibited to the court. But the obvious difference between the procedure in the district courts and in this court effectively precludes the injustice sought to be obviated by section 4920 from arising in proceedings before this court. Section 157 of the Judicial Code[1] gives to this court express authority to establish rules for its government and "regulate the practice therein," and in conformity with the conferred author[fol. 15] ity we have established rules and regulations designed to cover a practice devoid of formal pleadings, except as provided in section 159 of the code, and wherein the testimony of witnesses appears almost universally in the form of depositions. The plaintiff in patent litigation is never embarrassed by the failure to give the notice required by section 4920, R. S., in infringement cases before this court, for ample time always remains to meet the issue. The chief criticism of the Department of Justice is the consumption of too much, instead of too little, time in this respect. We do not believe that Congress intended by the passage of the act of June 25, 1910, to circumscribe the gen-

[1] Sec. 157. Judicial Code. "The said court shall have power to establish rules for its government and for the regulation of practice therein, and it may punish for contempt in the manner prescribed by the common law. may appoint commissioners, and may exercise such powers as are necessary to carry into effect the powers granted to it by law."

EXHIBITS TO OPINION

APPENDIX 1.

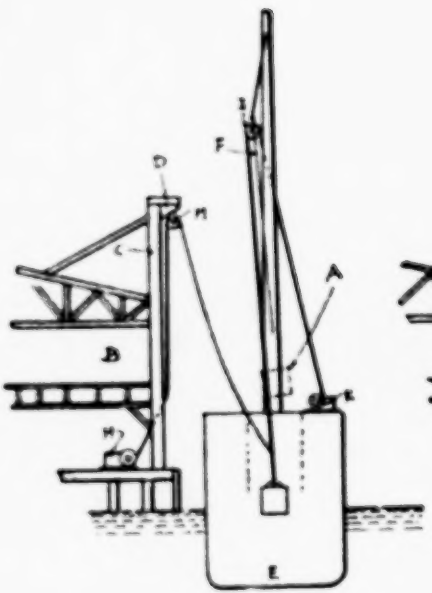


FIG 1

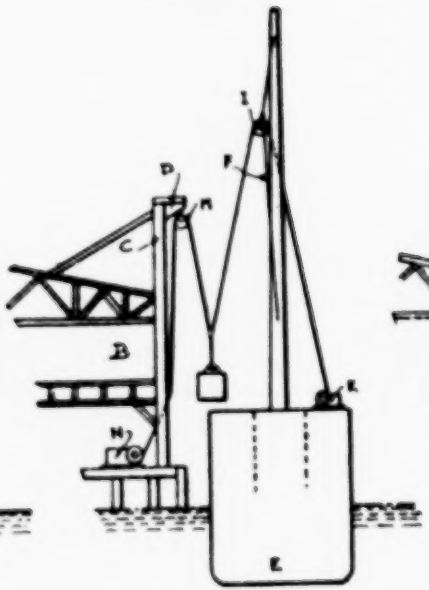


FIG. 2

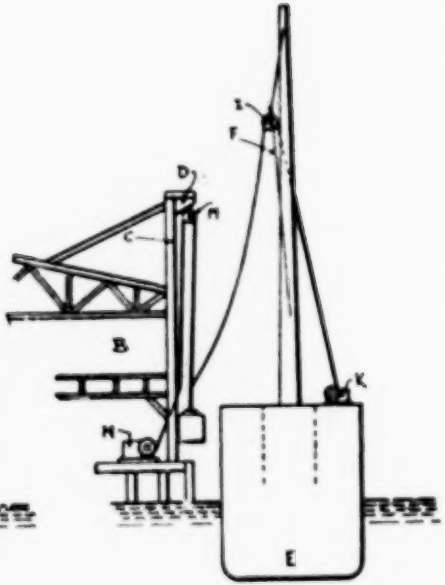


FIG 3

APPENDIX 2.

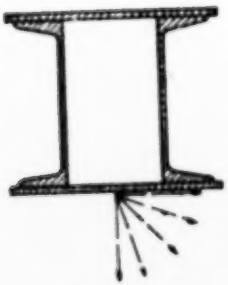


FIG. VII.

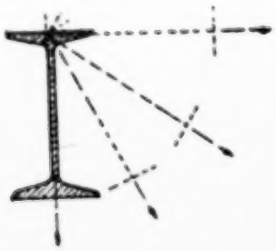


FIG. VIII.

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eral authority conferred on the court in section 157 of the code in a mere matter of procedure. The act of June 25, 1910, does not so state. Its language is clearly susceptible of a contrary construction. The "United States may avail itself of any and all defenses, general or special, which might be pleaded by a defendant in an action for infringement, as set forth in Title Sixty of the Revised Statutes, or otherwise." We require no special pleas in patent cases. The defendant interposes none. As a matter of fact, a general traverse to the petition is usually filed by the clerk under rule 34, and the case is then at issue. Congress was concerned with a positive reservation of all defenses to the United States in patent cases for infringement and was not by the statute intending to modify or change our established rules of practice and procedure obtaining since the establishment of the court.

Whatever rights the plaintiff may have had under any circumstances have been given. The defendant examined its expert witnesses, at which time the evidence complained of was first exhibited to the plaintiff, on February 18, 1922. Plaintiff then objected to the testimony, but subsequently, on May 5, 1922, more than 30 days after receipt of the exhibits, examined at length its own expert with especial reference to these identical exhibits. The subject was gone into in great detail and exhausted. The plaintiff now assigns no cause for the elimination of the testimony from the record other than a failure to observe the terms of the statute, the case itself having been briefed and argued upon its merits by both parties.

The case will be remanded to the general docket for further proceedings respecting the issue of damages. It is so ordered.

Graham, Judge; Hay, Judge; Downey, Judge; and Campbell, Chief Justice, concur.

(Here follow Exhibits to Petition, marked side folio pages 16 and 17)

[fol. 18] V. History of Proceedings

On August 3, 1923, the defendant filed a motion for a new trial.

On October 15, 1923, the court entered the following order on said motion:

Order

It is ordered by the Court that the defendant's motion for new trial be and the same is overruled.

VI. Argument and Submission

On November 3, 1925, this case was argued and submitted on merits by Mr. O. Ellery Edwards, for the plaintiff, and by Mr. John S. Bradley, for the defendant.

[fol. 19] VII. Order Setting Aside Former Judgment
Dec. 7, 1925

It is ordered by the court this 7th day of December, 1925, that the former conclusion of law and judgment entered by this court in this case on June 4, 1923, be and the same are set aside, and that the petition be and the same is dismissed.

It is further ordered that judgment be and the same is rendered against the plaintiff in favor of the United States for the cost of printing the record in this cause, the amount thereof to be entered by the clerk and collected by him according to law.

[fol. 20] VIII. Additional Findings of Fact, Conclusion of Law, and Opinion of the Court by Booth, J.—Entered December 7, 1925

This case having been heard by the Court of Claims, the court upon the evidence makes the following

Additional Findings of Fact

I

The United States installed on or before January 1, 1919, 810 cargo beams covered by the Lenke patent, as follows:

Army base, South Brooklyn	366
Army base, Norfolk, Va.	256
Navy base, Charleston, S. C.	88
Army base, New Orleans, La.	100
Total	810

II

Since January 1, 1919, the evidence establishes that no additional beams of the Lenke type have been installed or used by the United States.

III

The fair license value on a royalty basis is the sum of twenty ($20) dollars a cargo beam, amounting in this case to the sum of sixteen thousand two hundred ($16,200) dollars.

IV

The use of the Lenke cargo beam by the United States instead of the cargo beams theretofore installed and used resulted in a saving of 2,000 pounds of metal per beam. The market price per pound of the kind of metal employed in the construction of cargo beams was 6½ cents per pound, thus enabling the United States to save in the expense of installation the difference in weight between the old beams used and the Lenke beam, viz. the difference between 3,300 pounds and 1,300 pounds, or 2,000 pounds on each beam installed, amounting in the aggregate to $103,480.

The United States installed the Lenke beams by contract with third parties. The beams were installed for the exclusive use of the United States. None were sold or installed for profit, other than such as accrued to the United [fol. 21] States by reason of the saving in cost of installa-

tion. The single advantage which the United States gained by the use of the beams was the saving in cost of the same and the convenience resulting from their novelty. They were used by the United States for Government purposes. There is no proof in the record as to any other saving or advantage to the United States.

V

The plaintiff and earlier owners of the Lenke patent did not manufacture cargo beams of the Lenke type, but consistently followed the practice of licensing others to make and use them.

Conclusion of Law

Upon the foregoing additional findings of fact, which are made part of the judgment herein, the court concludes as a matter of law that the former conclusion of law and judgment entered by this court in this case on June 4, 1923, be, and the same hereby are, set aside and a new judgment this day entered dismissing the plaintiff's petition.

Opinion

Booth, Judge, delivered the opinion of the court:

The original petition in this case was filed May 23, 1921. When the case came on for proof the parties entered into an express stipulation, in part as follows: "Therefore, subject to the approval of the Court, it is stipulated by and between counsel for the respective parties that the taking of testimony respecting the nature and amount of compensation to be paid by defendant will be postponed until the issues determining the liability of defendant to pay compensation have been decided by this Court."

The case is for an infringement of a patented cargo beam. The Court has heretofore uniformly approved a course of proceeding in patent cases wherein the validity of the patent is challenged, in accordance with the stipulation set out above. In this case we approved the stipulation and the parties proceeded accordingly. A record of considerable proportion presented to the Court the vital issue of a patentable invention. The parties so treated it, and the case

was argued upon that one point and no other. June 4, 1923, the Court sustained the validity of the patent and remanded the case, in accord with the stipulation of the parties, to the general docket, with leave to either party to take testimony respecting damages recoverable. The case is before us now in virtue of the above order of remand, and the Court is for the first time advised as to the nature, extent and character of plaintiff's contention respecting the allowance of sums either as royalty, damages, or profits.

We have gone into the previous history of the litigation in order to demonstrate that the issue which we confidently believe determines the case was not raised upon the former argument and was not deducible from the record then presented. The Court was not informed and had no means of knowing when the patented devices were used by the United States until the present record disclosed the fact. The per-
[fol. 22] tinency of what we have said appears from the subsequent discussion of the case, and clearly reflects the necessity for great caution in adopting a rule of procedure of such general application when a closer inspection and knowledge of the exact dates respecting user is obviously available to both parties.

Claim I of plaintiff's patent reads as follows: "A permanent rigid structure constructed with upright posts spaced a material distance apart, a cargo beam of greater depth than thickness provided with means near the lower edges of said beam for connecting a tackle block therewith, and pivotal supports at the ends of said beam at higher points than said connecting means, said supports being connected with said posts."

Claim two repeats the combination of the beam with the rigid permanent structure described in claim one, and details the essential elements of novelty which enter into the construction of the beam to cause it to function differently from all its predecessors. Claims three and four detail its adaptability to a shed structure. Therefore, when the intended design of the patentee is accomplished, when use of the patent device occurs, it must necessarily be when the beam is installed. The beam itself with all its novelty is incapable of any practicable use until it is affixed in a "permanent rigid structure." The predominating idea of the inventor was to supplant the old cargo beam affixed in a

permanent structure with one of much less weight affixed to the structure or shed in much the same way, but adapted by reason of superior improvements to the carriage of great weights irrespective of the angle from which applied. This we held to be the extent of novelty in the patent involved, and while narrow in scope nevertheless entitled the plaintiff to recover, assuming of course the establishment of infringement by the defendant.

From what has been said it is manifest that the patent was of such a character that it was incapable of use until installed as above set forth, resulting under the record now before us in a judgment for the defendant. It is conceded by both parties to the record that 810 cargo beams of the type involved have been installed by the defendant as of January 1, 1919. The findings disclose that on September 29, 1920, the original inventor, Lenke, assigned his letters patent to Thomas E. Chappell, and that Chappell in turn, on March 7, 1921, assigned them to the plaintiff, attempting by the last assignment to invest the plaintiff with the right to recover for all past infringements of the patented device. Under the decision of the Supreme Court in Brothers v. United States, 258 U. S. 88, "An unliquidated claim against the United States, under the Act of June 25, 1910, c. 423, 36 Stat. 851, for the alleged infringement of a patent is not assignable with the patent." In deciding this particular point the Supreme Court, in the Brothers case, used this language:

"From the findings it appears that claimant filed application for his patent July 18, 1895, and, upon such application, letters patent No. 551,614 were granted and issued, under date December 17, 1895, to his assignees, Sarah E. Brothers and Maria A. Brown, to whom he had made assignment pending the application. Subsequently the letters patent were assigned to claimant, under date October 2, 1912, two and one-half months prior to their expiration by limitation on December 17, 1912. His claim to compen- [fol. 23] sation is necessarily limited to this brief period, since there could be no assignment to him of any unliquidated claim against the Government arising prior to the time he became the owner of the patent. R. S. § 3477."

The former judgment of the Court as expressed in its conclusion of law will be set aside, and a new judgment this day entered dismissing the petition. It is so ordered.

Graham, Judge; Hay, Judge; Downey, Judge; and Campbell, Chief Justice, concur.

[fol. 24] IX. JUDGMENT

At a Court of Claims held in the City of Washington on the Seventh day of December, A. D., 1925, judgment was ordered to be entered as follows:

The Court, upon due consideration of the premises, find in favor of the defendant, and do order and adjudge that the plaintiff, as aforesaid, is not entitled to recover any sum in this action of and from the United States; and that the petition be and it hereby is dismissed: And it is further ordered and adjudged that the defendant shall have and recover of and from the plaintiff, as aforesaid, the sum of One hundred and seventy nine dollars and two cents ($179.02) the cost of printing the record in this court, to be collected by the clerk, as provided by law.

By the Court.

X. HISTORY OF FURTHER PROCEEDINGS

On December 23, 1925, the plaintiff filed a motion for additional findings of fact.

On March 1, 1926, the plaintiff's motion for additional findings of fact was argued and submitted by Mr. O. Ellery Edwards, for the plaintiff, and by Mr. John S. Bradley, for the defendant.

On May 3, 1926, the court entered the following order on said motion:

ORDER

It is ordered by the Court this 3d day of May, 1926, that the plaintiff's motion for additional findings be and the same is overruled.

[fol. 25] Clerk's certificate to foregoing transcript omitted in printing.

Endorsed on cover: File No. 32,107. Court of Claims. Term No. 540. Richmond Screw Anchor Co., Inc., petitioner, vs. The United States. Petition for writ of certiorari and exhibit thereto. Filed July 30, 1926. File No. 32,107.

SUPREME COURT OF THE UNITED STATES

ORDER ALLOWING CERTIORARI—Filed October 25, 1926

The petition herein for a writ of certiorari to the Court of Claims is granted. And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.